

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 2004-121

February 20, 2004

NORTHERN UTILITIES, INC.  
Re: Application for Change in Cost  
of Gas Factor by Northern  
Utilities, Inc. (Summer CGF)

NOTICE OF APPLICATION

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On February 17, 2003, Northern Utilities, Inc. (Northern) filed with this Commission an application, pursuant to 35-A M.R.S.A. § 4703 and Chapter 43(2) of the Commission's Rules (65-407 C.M.R. 43), for a change in the cost of gas factor (CGF) for the summer period May 1, 2004 through October 31, 2004. The Commission must approve all cost of gas adjustments. Northern's proposed 2004 Summer CGF will result in a decrease of 7.16% in the total bill for the average residential customer who uses approximately 50 ccf per month during the summer period from the Summer 2003 rate. The proposed 2004 Summer CGF will result in a decrease of 20.31% from the rates currently in effect for the Winter 2003-2004 season. The proposed rate decrease is based on lower estimated commodity costs for the upcoming period. The rate also includes an amount of \$685,213 to recover Northern's under-collection of gas costs from the Summer 2003 CGF period.

Northern has also proposed a change in the Environmental Recovery Cost (ERC) rate in accordance with the settlement approved in Docket No. 96-678. The ERC rate has been adjusted to \$0.0077 from the rate of \$0.0071 set in the Winter 2003-2004 period to provide a closer recovery of the costs allowed.

35-A M.R.S.A. § 4703 requires the Commission to issue public notice of the application within 7 days after the application is filed with the Commission. The Commission, pursuant to § 4703, may render its decision on this application without holding a public hearing. If a public hearing is held, the Commission, pursuant to § 4703, must hold the first session within 45 days of the filing of the application and shall render its decision within 45 days after the close of the hearing. If no hearing is held, the Commission shall render its decision within 45 days of receipt of the application.

Accordingly, it is

**O R D E R E D**

1. That, pursuant to 35-A M.R.S.A. § 4703, the Commission gives notice that Northern Utilities has filed an application for cost of gas adjustment. Interested persons may file a petition to intervene and to request a hearing.

2. Petitions to intervene shall be filed with the Administrative Director of the Commission no later than **March 17, 2004**. Petitions to intervene shall state the interest of the proposed intervenor and comply with the other requirements of Section 722 of 65-407 C.M.R. 11(6) and shall be sent to Northern Utilities, Inc., 300 Friberg Parkway, Westborough, MA 01581-5039.

3. That a preliminary hearing is scheduled in this matter on **March 24, 2004 at 10:00 a.m.** The hearing will be held in the Horace S. Libby Hearing Room located at the Commission's office, 242 State Street, Augusta, Maine. The purpose of this hearing will be to rule on petitions to intervene, to ascertain the potential for settlement of the case by stipulation and to devise a schedule for the processing of this case in a timely manner. In addition, the hearing will be used as a format to discuss with Northern the details of its filing.

4. That the Administrative Director shall serve a copy of this notice upon Northern Utilities, Inc., the Public Advocate, any persons requesting to receive notice of proceedings of this nature, parties in the last three Northern Utilities' cost of gas adjustment cases (2003-607, 2003-104 and 2002-483) and upon the public by the publication of the attached notice in newspapers of general circulation in Northern Utilities' service areas.

Dated at Augusta, Maine this 20<sup>th</sup> day of February, 2004.

BY ORDER OF THE HEARING EXAMINER

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Carol A. MacLennan

MAINE PUBLIC UTILITIES COMMISSION  
NOTICE OF PROPOSED CHANGE IN COST OF GAS  
ADJUSTMENT BY NORTHERN UTILITIES, INC.

Docket No. 2004 –121

Northern Utilities, Inc., a supplier of natural gas service, has applied for a change in its cost of gas factor (CGF) for the summer period, May 1, 2004 through October 31, 2004 under the provisions of 35-A M.R.S.A. § 4703 and 65-407 C.M.R. 43. Northern's proposed 2004 Summer CGF will result in a decrease of 7.16% for the average residential customer who uses approximately 50 ccf per month during the summer period. The proposed 2004 Summer CGF will result in a decrease of 20.31% from the rates currently in effect for the Winter 2003-2004 season. The primary reason for the decrease in Northern's CGF is the decrease in the estimated cost of the gas commodity of the upcoming period. Northern has also proposed a change in the Environmental Recovery Cost (ERC) rate in accordance with the settlement approved in Docket No. 96-678. The ERC rate has been adjusted to \$0.0077 from the rate of \$0.0071 set in the Winter 2003-2004 period to provide a closer recovery of the costs allowed.

A preliminary hearing has been scheduled in this matter for **March 24, 2004 at 10:00 a.m.** The purpose of the preliminary hearing is to rule on petitions to intervene, to ascertain the potential for settlement of this case by stipulation, and to set a schedule for the processing of this case in a timely manner. In addition, the hearing will be used as a format to discuss with Northern the details of its filing.

To present your views on this proposed increase, you may participate in one of two ways:

1. You may petition to intervene. If your petition to intervene is granted, you will be a party with the right to participate formally in the hearings and in negotiations. Your petition must be made in writing and must state the name and docket number of this proceeding, and the manner in which you are affected by the proceeding. Your petition must also include a short and plain statement of the nature and extent of the participation you seek, and a statement of the nature of the evidence or argument you intend to submit. Your petition must be received by the Administrative Director, Public Utilities Commission, 242 State Street, Augusta, Maine 04333, no later than **March 17, 2004**. You must send a copy of your petition to Northern Utilities, Inc., 300 Friberg Parkway, Westborough, MA 01581-5039. If your petition is denied, you may still request that your name be placed on the Commission's mailing list for this case as described below.

2. You request that your name be added to the mailing list as an interested person. If your name is added to the mailing list as an interested person, you will receive notice of the time and place of any hearings, including public witness hearings, held in this case.

You may request that the Commission hold a public hearing in this matter. If you wish to request that the Commission hold such a hearing, you must file a written request to

that effect with the Administrative Director at the above address by **March 17, 2004**. Persons who request a hearing will automatically be added to this mailing list as interested persons.

You may appear as a public witness at a hearing, if one is held, and give your views on the proposed change in rates. The purpose of a public witness hearing is to give members of the public an opportunity to give their views on the matters under consideration by the Commission in this case.

THE COMMISSION WILL NOT PUBLISH ANY FURTHER NEWSPAPER NOTICES OF THIS PROCEEDING OR ANY HEARINGS.

If you need more information about which method of participation you should choose, write to the Administrative Director at the above address or call 287-3831.

Title 35-A of the Maine Revised Statutes and Commission Rules will govern this proceeding.